

January 8, 2010

UTAH DISTRICT NEWSLETTER

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LENDER LOAN
NUMBERS FOR THE
MONTH OF DECEMBER 4

Save the Date:

January 19, 2010
Business Women's Forum
From Dreams to Reality
Wells Fargo Atrium
Salt Lake City, UT
11:30 am to 1:00 pm
(801) 328-5066

January 21, 2010
Salt Lake SCORE Workshop
Salt Lake County Building Complex
Salt Lake City, UT
(801) 746-2269

January 26, 2010
8(a) Orientation
SBA Office
125 South State Street, 2nd floor
Salt Lake City, UT
10:00 am to 11:30 am
Contact: (801) 524-6831

Helping small businesses
start, grow and succeed.



Additional Funding for SBA Recovery Lending Programs will Support \$4.5 Billion in Small Business Lending

Agency plans to restart Recovery loan approvals by Dec. 28

WASHINGTON – President Obama signed the U.S. Department of Defense (DOD) appropriations bill on Saturday, which included \$125 million to continue through Feb. 28, 2010, the enhancements made possible through the American Recovery and Reinvestment Act (ARRA) to SBA's two largest loan programs. The SBA estimates the additional funding will support \$4.5 billion in small business lending.

New approvals of loans with the higher guarantee and reduced fees made possible by ARRA are expected to begin by Dec. 28. Loan applications from borrowers who chose to be placed in the SBA's Recovery Loan Queue will be funded first, followed by new loan approvals beginning on or before Dec. 28.

"This Administration and Congress recognize that these key programs were successful in helping jump-start the economic recovery for America's small businesses," said SBA Administrator Karen Mills. "The increased guarantee and reduced fees on SBA loans helped put more than \$16.5 billion in the hands of small business owners and brought more than 1,200 lenders back to SBA loan programs. The extension of these programs through February is important to continuing our path toward recovery and will mean thousands more small business owners have access to the credit they need.

"Just two weeks ago, President Obama laid out key aspects of his jobs plan, including significant ongoing support for small businesses. We will continue to work with Congress on moving those proposals forward, including extending these loan enhancements as the President called for, to ensure that small business owners have the tools they need to drive economic growth and create jobs in communities all across the country."

As part of ARRA, SBA received \$730 million, which included \$375 million to increase the SBA guarantee on 7(a) loans to 90 percent and to waive borrower fees on most 7(a) and 504 loans. More information about the waived fees can be found here. The funds for these programs were exhausted on Nov. 23.

SBA created the Recovery Loan Queue as part of its transition back to pre-ARRA lending on Nov. 23 because previously approved loans are sometimes canceled or never disbursed for a variety of reasons. Eligible small businesses, in consultation with their

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Additional Funding

lender, could choose to be placed in the queue for possible approval of an ARRA loan if funding became available. Currently there are 1,069 loans totaling almost \$530 million in the Recovery Loan Queue.

The extension included in the DOD bill authorizes the higher guarantee levels through Feb. 28, 2010. The fee relief is authorized until this additional funding is exhausted or the end of the fiscal year, whichever comes first. As was the case in November, SBA will transition into a queue system as the funds start to wind down in order to ensure the maximum simulative effect of the programs and disbursement of funds.

For non-ARRA 7(a) or 504 loans funded during the transition period, this extension does not provide a retroactive guarantee or waived fees. Loans that were funded under non-ARRA terms cannot be canceled and resubmitted to take advantage of the ARRA extension provisions.

This extension does not affect other SBA ARRA programs, including the America's Recovery Capital (ARC) loan program or the agency's microloans. ARRA funding still remains for both of those programs.

Utah District Office establishes a new lender recognition award



SBA's Utah District Office awards Southwest Federal Credit Union the Blaine Andrus Memorial Award

The Utah District Office held our annual Lender Recognition Breakfast December 15th at the Zions Bank Basketball Center in Salt Lake City. This year a new "ongoing" Lender's Award was presented.

The Blaine Andrus Memorial Award is in memory of our long time colleague, Blaine Andrus who passed away December 30, 2008. During his time at SBA, Blaine was known for exceptional customer and community service.

This year the new award went to Southwest Federal Credit Union headquartered in St George, Utah. They have utilized almost all of SBA's Lending Programs during the last fiscal year in an effort to serve their community. Other awards that were presented are as follows:

Three High producers:

Zions Bank
Mountain America FCU
America First FCU

Most Loans by lender size

Large	Zions Bank
Med	State Bank of Southern Utah
Sm	Celtic Bank

Most ARC by lender size

Lg	Zions Bank
Med	State Bank of Southern Utah
Sm	First Utah Bank

Most Patriot Express by lender size

Lg	Zions Bank
Med	State Bank of Southern Utah
Sm	Beehive Credit Union

Most Small/Rural Lender Advantage Loans – tied

Brighton Bank
First National Bank of Layton

Newest Active Lender

Alliance Community FCU

Most improved from FY08 –

Med: Centennial Bank
Small: Cypress FCU
Very Small: Family First FCU

Most Community Express Loans

Central Bank

Most Capline (Small/Standard Asset Based) Loans

Celtic Bank

Most 504 Loans by a small rural lender

Lewiston State Bank

Congratulations
Utah Lenders

Recovery Act Loan Documentation Requirements and Restrictions

As you are aware, the Recovery Act This Notice serves as a reminder to SBA lenders and Certified Development Companies (CDCs) about documentation requirements for Recovery Act loans. SBA is committed to being fair and transparent with its lending partners, and is issuing this notice to remind lenders and CDCs of their Recovery Act obligations. Lenders and CDCs should be aware that early reviews by SBA's Office of the Inspector General have found documentation related deficiencies when reviewing Recovery Act loans.

In order to properly document Recovery Act loan files, SBA reminds lenders and CDCs to make sure that their loan files contain specific documentation in the following areas:

Borrower certification of hiring practices for 7(a) Loans with the Increased Guaranty: Prior to first disbursement on a 7(a) loan with the increased guaranty, lenders must require that the Borrower and any Operating Company certify that they have not been determined by the Secretary of Homeland Security or the Attorney General to have engaged in a pattern or practice of hiring an alien, recruiting an alien or referring an alien for a fee for employment in the United States, knowing that the person is an unauthorized alien. This certification is in addition to the existing disclosure requirement on SBA Form 912, Statement of Personal History. (See SBA Policy Notice 5000-1098, effective March 16, 2009 and the notice published in the Federal Register at 74 FR 27199, 27200.) This certification is only required on loans with an increased guaranty and must be retained in the loan file.

Reimbursement of Borrower Fees for 7(a) and 504 Loan Guarantees: If borrowers had already paid a fee on eligible 7(a) loans approved by SBA on or after February 17, 2009 and before March 16, 2009, lenders were sent fee refunds from SBA, which they must use to reimburse borrowers. Likewise, if a borrower had already paid a CDC for the Processing Fee on eligible 504 loans approved by SBA on or after February 17, 2009 and before March 16, 2009, the CDC was sent a refund from SBA that must be used to reimburse the borrower. Lenders and CDCs must document borrower receipt of the refund and be prepared to produce such documentation to SBA upon request. (See SBA Policy Notice 5000-1097, effective March 16, 2009 and the notice published in the Federal Register at 74 FR 27196, 27198.) Appropriate forms of documentation regarding fee reimbursement may include wire transfers or cancelled checks. These documents must be included in the loan file.

Allowable Uses of Recovery Act Funds: The Recovery Act established that no funds could be used by any State or local government, or any private entity, for any casino or other gambling establishment, aquarium, zoo, golf course or swimming pool. SBA loan guarantees funded with Recovery Act funds may not be made available to businesses primarily engaged in these activities or to businesses that intend to use guaranteed loans for the acquisition, construction, renovation or other purposes that include restricted uses. (See SBA Policy Notice 5000-1105, effective May 22, 2009, for further guidance on the restricted uses of Recovery Act funds, as well as a listing of NAICS codes for restricted businesses and activities.) Documentation for acceptable uses of Recovery Act funds includes the following items:

Certification that no funds will be used for a restricted use: Lenders and CDCs must certify on the applicable eligibility questionnaires and checklists that no loan proceeds will be used for a restricted use. All applicable eligibility questionnaires and checklists for the 7(a) and 504 programs have been modified to include an additional statement to this effect and must be retained in the lender's or CDC's loan file.

Certification of uses for working capital funds: If an applicant receives a working capital loan, prior to first disbursement, the lender must require the Borrower and any Operating Company to certify that no funds from the working capital loan will be used for restricted purposes. This certification must be retained in the lender's or CDC's loan file.

Credit memorandum and certification for projects with restricted uses: If an applicant will receive a loan to acquire, construct or renovate an existing facility that also has a golf course or swimming pool, for example, then:

1. the lender or CDC must document in the credit memorandum that the use of proceeds does not include financing the restricted use and document the other resources that cover the financing of this component; and
2. prior to first disbursement the lender or CDC must require the Borrower and any Operating Company to certify that alternate funding (which may come from the borrower's equity) has been obtained to pay the costs allocable to the acquisition, construction or renovation of the golf course or swimming pool.

The credit memorandum and the certification must be retained in the lender's or CDC's loan file.

SBA urges all participants to ensure that their documentation of Recovery Act loans is complete and accurate. SBA will review Recovery Act loans carefully during the purchase process and in the course of lender oversight activities in order to ensure that the requirements set out in the law were fully met.

If you have any questions, please feel free to contact Pat or Paula in our office.

LENDER	December Loan Numbers	December Total Dollars	YTD Loan Numbers	YTD Dollars
1st Bank	0	0	1	\$210,000
ALLIANCE COMMUNITY FCU	0	0	1	\$35,000
AMERICA FIRST FCU	9	\$225,000	20	\$535,700
AMERICAN BANK OF COMMERCE D/B/A AMBANK	2	\$1,300,000	4	\$1,570,300
AMERICAN BANK OF THE NORTH	1	\$1,500,000	1	\$1,500,000
BANK OF AMERICAN FORK	0	0	2	\$350,000
BANK OF THE WEST	0	0	0	0
BANK OF UTAH	1	\$35,000	5	\$1,514,100
BARNES BANKING COMPANY	0	0	1	\$35,000
BEACH BUSINESS BANK	0	0	0	0
BEEHIVE CU	1	\$30,000	3	\$85,000
BRIGHTON BANK	3	\$83,000	10	\$469,000
CACHE VALLEY BANK	0	0	1	\$125,000
CAPITAL COMMUNITY BANK	0	0	3	\$369,000
CELTIC BANK CORPORATION	0	0	8	\$6,447,300
CENNTENNIAL BANK	0	0	1	\$236,900
CENTRAL BANK	0	0	1	\$10,000
CYPRUS FCU	0	0	2	\$186,000
D.L. EVANS BANK	1	\$35,000	1	\$35,000
FIRST UTAH BANK	0	0	3	\$150,000
FRONTIER BANK, FSB	0	0	0	0
GOLDENWEST FCU	2	\$135,000	5	\$291,000
GRAND VALLEY BANK	0	0	0	0
GRANITE FCU	4	\$255,200	6	\$355,200
HERITAGEWEST FCU	0	0	1	\$99,500
HORIZON UTAH FCU D/B/A HORIZON CU	0	0	1	\$64,500
JORDAN FCU	1	\$30,000	4	\$165,000
JPMORGAN CHASE BANK, NATIONAL ASSOCIATION	3	\$357,700	12	\$3,213,700
KEYBANK NATIONAL ASSOCIATION	3	\$264,500	6	\$339,500
LEWISTON STATE BANK	1	\$25,000	1	\$25,000
MOUNTAIN AMERICA FCU	18	\$631,200	58	\$2,658,200
MOUNTAIN WEST BANK	0	0	0	0
MOUNTAIN WEST SMALL BUSINESS FINANCE	13	\$4,672,000	39	\$19,119,000
NEVADA COMMERCE BANK	0	0	2	\$849,900
SOUTHWEST COMMUNITY FCU	2	\$151,800	6	\$276,800
STATE BANK OF SOUTHERN UTAH	9	\$675,600	31	\$2,810,200
SUPERIOR FINANCIAL GROUP, LLC	3	\$35,000	9	\$102,500
THE FIRST NATIONAL BANK OF LAYTON	0	0	1	\$58,000
U.S. BANK NATIONAL ASSOCIATION	4	\$71,100	9	\$355,500
UNITED MIDWEST SAVINGS BANK	0	0	1	\$1,400,000
UNIVERSITY FIRST FCU	1	\$25,000	1	\$25,000
USU CHARTER FCU	0	0	1	\$40,000
UTAH CENTRAL CREDIT UNION	0	0	0	0
UTAH CERTIFIED DEVELOPMENT COMPANY	9	\$3,490,000	19	\$8,011,000
UTAH COMMUNITY FEDERAL CREDIT UNION	0	0	0	0
UTAH FIRST FCU	0	0	4	\$160,000
VECTRA BANK COLORADO, NATIONAL ASSOCIATION	44	\$3,153,600	177	\$14,358,400
WELLS FARGO BANK, NATIONAL ASSOCIATION	9	\$3,933,700	20	\$7,107,200
* ZIONS FIRST NATIONAL BANK	11	\$801,100	29	\$3,052,700
TOTALS	155	\$21,915,500	511	\$78,801,100